OLR Bill Analysis

sHB 5718

AN ACT CONCERNING MUNICIPAL AUTHORITY TO PROVIDE TAX ABATEMENTS TO ENCOURAGE RESIDENTIAL DEVELOPMENT.

SUMMARY:

By law, towns can offer property tax exemptions for certain economic development projects if the town's legislative body approves. This bill decreases, from $25,000 to $10,000, the minimum cost of improvements eligible for a 50% tax exemption for up to three years.

The law allows towns to provide the exemption for the following uses: office; retail; permanent and transient residential; manufacturing; warehouse, storage, or distribution; recreational; transportation; information technology; and multilevel parking supporting a mass transit system. Under the bill, towns may also fix the assessment for mixed-use developments, which are developments that contain, in addition to at least one residential unit, commercial, public, institutional, retail, office, or industrial uses.

Under current law, "rehabilitation area" is defined as a municipality, or any part of a municipality, which is deteriorated, deteriorating, substandard, or detrimental to the safety, health, welfare, or general economic well-being of the community. The bill specifies that only one or more properties in a rehabilitation area need to meet these criteria to be considered a rehabilitation area.

EFFECTIVE DATE: October 1, 2013

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea	19	Nay	0	(03/22/2013)